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**SUPPLEMENT TO
REPORT NO.**

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SOURCE

1. In view of the current unrest in Iraq and anticipated further disturbances during the forthcoming elections, Iraqi Government officials as well as land-owners are alarmed over poor crop prospects, particularly as these will affect the bread supply.

2. [REDACTED] on 3 April the Director General of Agriculture gave the following estimate of wheat and barley prospects for forthcoming harvests:

Metric Tons

Normal (1945)

1947-48

Wheat	390,000	210,000
Barley	595,000	400,000

Comment: 1945 was not, strictly speaking, a normal year; the yield per hectare in 1945 was below average, but the acreage, in anticipation of high prices, was above average. Figures for 1945 are based on a yield of 800 kilos per hectare; figures for 1947-48 are based on a yield of 600 kilos per hectare, the difference being accounted for by lack of rain.

3. Comparative figures on acreage sown are as follows:

Metric Tons

Normal (1945)

1947-48

Wheat	490,000	350,000
Barley	744,000	670,000

4. The present situation in the six major wheat-producing areas of Iraq is as follows:

- a. Mosul - normally an exporting liwa; will have just enough to satisfy the requirements of the liwa, if there are no further adverse effects.

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- b. Erbil - normally exports 20,000 tons, will have a deficit this year of 6,000 tons. Crops on the plains are almost completely burned from a lack of rain, while the hill crops are small.
- c. Kirkuk - normally exports, but the present crops are insufficient for the liwa.
- d. Baghdad)
- e. Kut) Acreage sown in wheat between 65% and 70% of normal.
- f. Diwaniah)

5. The worst incursion of locusts in recent years probably will be brought under control. If they are successfully controlled the situation will not deteriorate. Heavy rains will increase the grain size slightly but they will not bring about a material improvement in the over-all situation, since the dry-farming area, i.e. the three northern liwas, have had large acreages burned out by lack of rain.

25X1X **Comments:**

- a. The ratio between the yields of barley and wheat, both as to quantity and value, is an important factor which was not mentioned. The barley yield per hectare is double that of wheat, while the free market price of barley is double that of the government price on wheat.
- b. Another factor was that many landowners lost heavily on last year's crop when the government refused to reduce its quotas to be delivered at the controlled price when as much as 60% of the crops in some areas had been destroyed by locusts. They were thus obliged to buy wheat from surplus areas at the free market rate and turn it over to the government at the controlled price.
- c. In view of the government's avowed intention of paying even less this year than last year for wheat, the better yield on barley, and the fact that barley is freely sold, it is not remarkable that the wheat area showed a decline.

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6. It is estimated that there will be a deficit of 190,000 tons of wheat. In addition to this year's yield, on the basis of a 50% adulteration of bread, the minimum amount of wheat required is about 70,000 tons. Of this minimum requirement it is estimated that 60,000 tons will have to be imported, of which an estimated 10,000 to 12,000 tons will be carried over to the next year.

25X1X **Comment:** The additional 20,000 tons, which will be requested, probably represents a comfortable margin to permit issuance of bread with less adulterant for critical areas and to provide some small carry-over as well as to depress black market prices.

- 25X1X 7. estimates the deficit at 58,000 tons, based on requirements of 4,000 tons per month for twelve months with an additional requirement of 10,000 tons of seed.

25X1X **Comment:** In view of the poor internal security prevalent in Iraq and the weakness of the government and the lack of proper government machinery, the situation may deteriorate further as the government will be unable to enforce collection, with resultant hoarding, possible smuggling and increased prices. Restrictions on the export of barley, while tending to make more bread available, will at the same time reduce the amount of foreign exchange available to Iraq and, thereby, the amount of processed goods available.

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